

COMMITTEE REPORT

MR. PRESIDENT:

The Senate Committee on Governmental Affairs and Interstate Cooperation, to which was referred Senate Bill No. 302, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

- 1 Page 1, line 4, after "Sec. 1." insert "(a)".
- 2 Page 1, delete line 17, begin a new paragraph and insert:
- 3 "**(b) This chapter also applies to a municipality located in a**
- 4 **county described in section 1.1 of this chapter.**
- 5 SECTION 2. IC 36-7-26-1.1 IS ADDED TO THE INDIANA CODE
- 6 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
- 7 1, 2003]: Sec 1.1. (a) This section applies to a municipality located
- 8 in a county that contains a manufacturing-concentrated workforce
- 9 that exceeds forty percent (40%) of the workforce located in the
- 10 county.
- 11 (b) The general assembly finds that:
- 12 (1) the state economy has suffered due to a significant loss of
- 13 manufacturing jobs between January 1, 2000, and December
- 14 31, 2002;
- 15 (2) counties with a high manufacturing-concentrated
- 16 workforce relative to similarly situated Indiana counties are
- 17 at a greater risk of experiencing economic difficulties in the
- 18 event of an economic downturn in the United States or
- 19 Indiana; and
- 20 (3) municipalities located in counties described in subdivision

(2) possess unique economic challenges that require state intervention to attract and retain jobs and revitalize neighborhoods."

Page 2, delete line 1.

Page 2, line 18, strike "1(2), 1(3)" and insert "**1(a)(2), 1(a)(3),**".

Page 2, line 18, delete "1(5)" and insert "**1(b)**".

Page 2, after line 27, begin a new paragraph and insert:

"SECTION 4. IC 36-7-26-23, AS AMENDED BY P.L.177-2002, SECTION 15 AND P.L.178-2002, SECTION 121, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 23. (a) Before the first business day in October of each year, the board shall require the department to calculate the net increment for the preceding state fiscal year. The department shall transmit to the board a statement as to the net increment in sufficient time to permit the board to review the calculation and permit the transfers required by this section to be made on a timely basis.

(b) There is established a sales tax increment financing fund to be administered by the treasurer of state. The fund is comprised of two (2) accounts called the net increment account and the credit account.

(c) On the first business day in October of each year, that portion of the net increment calculated under subsection (a) that is needed:

(1) to pay debt service on the bonds issued under section 24 of this chapter or to pay lease rentals under section 24 of this chapter; and

(2) to establish and maintain a debt service reserve established by the commission or by a lessor that provides local public improvements to the commission;

shall be transferred to and deposited in the fund and credited to the net increment account. Money credited to the net increment account is pledged to the purposes described in subdivisions (1) and (2), subject to the other provisions of this chapter.

(d) On the first business day of October in each year, the remainder of:

(1) eighty percent (80%) of the gross increment; minus

(2) the amount credited to the net increment account on the same date;

shall be transferred and credited to the credit account.

(e) The remainder of:

(1) the gross increment; minus

(2) the amounts credited to the net increment account and the credit account;

shall be deposited by the auditor of state as other gross retail and use

1 taxes are deposited.

2 (f) A city described in section ~~1(2), 1(3), or 1(4)~~ **1(a)(2), 1(a)(3),**
 3 **or 1(a)(4)** of this chapter may receive not more than fifty percent
 4 (50%) of the net increment each year. During the time a district exists
 5 in a city described in section ~~1(3) or 1(4)~~ **1(a)(3) or 1(a)(4)** of this
 6 chapter, not more than a total of one million dollars (\$1,000,000) of net
 7 increment may be paid to the city described in section ~~1(3) or 1(4)~~
 8 **1(a)(3) or 1(a)(4)** of this chapter. During each year that a district exists
 9 in a city described in section ~~1(2)~~ **1(a)(2)** of this chapter, not more than
 10 one million dollars (\$1,000,000) of net increment may be paid to the
 11 city described in section ~~1(2)~~ **1(a)(2)** of this chapter.

12 (g) The auditor of state shall disburse all money in the fund that is
 13 credited to the net increment account to the commission in equal
 14 semiannual installments on November 30 and May 31 of each year.

15 SECTION 5. IC 36-7-26-24, AS AMENDED BY P.L.177-2002,
 16 SECTION 16 AND P.L.178-2002, SECTION 122, IS AMENDED TO
 17 READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 24. (a) The
 18 commission may issue bonds, payable in whole or in part, from money
 19 distributed from the fund to the commission, to finance a local public
 20 improvement under IC 36-7-14-25.1 or may make lease rental
 21 payments for a local public improvement under IC 36-7-14-25.2 and
 22 IC 36-7-14-25.3. The term of any bonds issued under this section may
 23 not exceed twenty (20) years, nor may the term of any lease agreement
 24 entered into under this section exceed twenty (20) years. The
 25 commission shall transmit to the board a transcript of the proceedings
 26 with respect to the issuance of the bonds or the execution and delivery
 27 of a lease agreement as contemplated by this section. The transcript
 28 must include a debt service or lease rental schedule setting forth all
 29 payments required in connection with the bonds or the lease rentals.

30 (b) On January 15 of each year, the commission shall remit to the
 31 treasurer of state the money disbursed from the fund that is credited to
 32 the net increment account that exceeds the amount needed to pay debt
 33 service or lease rentals and to establish and maintain a debt service
 34 reserve under this chapter in the prior year and before May 31 of that
 35 year. Amounts remitted under this subsection shall be deposited by the
 36 auditor of state as other gross retail and use taxes are deposited.

37 (c) The commission in a city described in section ~~1(2)~~ **1(a)(2)** of this
 38 chapter may distribute money from the fund only for the following:

- 39 (1) Road, interchange, and right-of-way improvements.
- 40 (2) Acquisition costs of a commercial retail facility and for real
- 41 property acquisition costs in furtherance of the road, interchange,
- 42 and right-of-way improvements.

1 (3) Demolition of commercial property and any related expenses
 2 incurred before or after the demolition of the commercial
 3 property.

4 (4) For physical improvements or alterations of property that
 5 enhance the commercial viability of the district.

6 (d) The commission in a city described in section ~~1(3)~~ **1(a)(3)** of
 7 this chapter may distribute money from the fund only for the following
 8 purposes:

9 (1) For road, interchange, and right-of-way improvements and for
 10 real property acquisition costs in furtherance of the road,
 11 interchange, and right-of-way improvements.

12 (2) For the demolition of commercial property and any related
 13 expenses incurred before or after the demolition of the
 14 commercial property.

15 (e) The commission in a city described in section ~~1(4)~~ **1(a)(4)** of this
 16 chapter may distribute money from the fund only for the following
 17 purposes:

18 (1) For:

19 (A) the acquisition, demolition, and renovation of property;
 20 and

21 (B) site preparation and financing;
 22 related to the development of housing in the district.

23 (2) For physical improvements or alterations of property that
 24 enhance the commercial viability of the district.".

25 Renumber all SECTIONS consecutively.

(Reference is to SB 302 as introduced.)

and when so amended that said bill do pass and be reassigned to the Senate Committee on Finance.

Committee Vote: Yeas 10, Nays 0.

Senator Riegsecker, Chairperson